

Note that our rates are as set forth on the attached sheet, but our channel alignment has changed somewhat with must-carry and is as shown on the second sheet.

# WYANDOTTE MUNICIPAL SERVICE DEPARTMENT CABLE SYSTEM

## CHANNEL ALIGNMENT

2. WJBK (2) Detroit CBS	
3. WGTE (30) Toledo ETV	
4. WDIV (4) Detroit NBC	
5. WKBD (50) Detroit IND	
6. The Weather Channel .....	24 Hours of Local/Regional/National Weather
7. WXYZ (7) Detroit ABC	
8. WXON (20) Detroit IND	
9. CBET (9) Windsor CBC	
10. Cable News Network .....	24-Hour National News/Weather/Sports In-Depth
11. Preview Guide .....	Program Guide and Previews of the Wyandotte Cable System
12. WTVS (56) Detroit ETV	
13. Pay Per View (option) .....	Special Events and Movies Available on a One-Time Cost Basis
14. Reserved for FAA	
15. CICO (32) Windsor ETV	
16. WGPR (62) Detroit IND	
17. Nickelodeon .....	Family Programming, including Drama and Features
18. C-Span .....	Live Coverage of the U.S. House of Representatives
19. Government Access .....	
20. Municipal Access .....	Channel Available for
21. Public Access .....	
22. Educational Access .....	Local Broadcasts
23. Local Origination .....	
24. Advertising .....	Local Advertising
25. Community Bulletin Board .....	Community Events Listed Daily
26. Quality Value Network I .....	Shop at Home Service
27. Quality Value Network II .....	Shop at Home Service
28. Home Shopping Club .....	24 Hour Live Shop at Home Service
29. American Movie Classics .....	Hollywoods Movie Hits from the 30's to the 70's
30. PASS (option) .....	Live Sports: Tigers, Pistons, Red Wings College Sports, Boxing
31. WTBS (17) Atlanta .....	Superstation Heavily Accented with Movies and Sports
32. TNT .....	24-Hours of Movies, Sports, Documentaries, Sitcoms
33. Cable News Network II .....	24-Hour Complement of Cable News Network
34. HBO (option) .....	First-Run Films/Sports/Children's Entertainment
35. The Movie Channel (option) .....	24 Hours of First-Run Movies, Exclusives and Recent Hits
36. Obituaries	
37. Showtime (option) .....	Premium Entertainment, including Movies/Specials/Theater
38. Cinemax (option) .....	Movies/Foreign Films/Concerts/Comedy
39. Disney Channel (option) .....	Pay Service, Featuring Disney Programming
40. WGN (Chicago) .....	24 Hours of Syndicated Shows/Movies/Chicago Sports
41. Lifetime .....	Programming Dealing with Family/Life/Health/Science
42. U.S.A. Cable Network .....	24 Hours of Movies/Sports/Variety Entertainment
43. ESPN .....	24 Hours of College, Amateur and Professional Sports
44. Music Television .....	24 Hours of Video Music
45. Family Channel .....	Family Programming - Westerns, Comedies and Movies
46. Reserved for FAA	
47. The Learning Channel .....	A Network Designed to Increase Your Knowledge
48. Arts and Entertainment .....	Distinctive Entertainment-Comedy, Drama, Dance, Stage
49. The Discovery Channel .....	Programming in Science/History/Nature/Travel
50. Video Hits I — (VH-1) .....	24 Hours of Video Music for the 25-54 Age Group
51. Nashville Network .....	Entertainment with a Country Music Emphasis
52. Inspirational Network .....	Religious Network
53. Catholic Television Network .....	Religious Programming
57. Consumer News & Business Channel	Consumer Information, Investment & Health

### BASIC SERVICE:

### PRICES

Basic Service

Channel 2 - 57 (Excluding Premium Services)

\$12.00

### PREMIUM SERVICES:

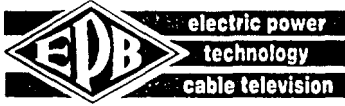
**Basic + 1 Premium	\$19.00 per month
**Basic + 2 Premiums	25.75 per month
**Basic + 3 Premiums	31.50 per month
**Basic + 4 Premiums	36.50 per month
**Basic + 4 Premiums + Disney + PASS	52.00 per month
Basic + PASS	21.50 per month
Basic + Disney	19.00 per month
Additional Outlets (per unit)	5.00
Security Deposit (per converter)	25.00
Basic Cable Installation	20.00
Basic VCR Installation	10.00 per unit
Remote Charge	7.00 per unit

\*\*Premium includes choice of HBO, Cinemax, Showtime, and The Movie Channel

PROGRAMMING AND PRICES SUBJECT TO CHANGE

## CHANNEL ALIGNMENT

2. WJBK (2) DETROIT (CBS)
3. ESPN
4. WDIV (4) DETROIT (NBC)
5. WKBD (50) DETROIT
6. THE WEATHER CHANNEL
7. WXYZ (7) DETROIT (ABC)
8. WXON (20) DETROIT
9. CBET (9) WINDSOR
10. CABLE NEWS NETWORK
11. PREVIEW GUIDE
12. WTVS (56) DETROIT
13. PAY PER VIEW
14. PAY PER VIEW GUIDE
15. CICO (32) WINDSOR
16. WGTE (3) TOLEDO
17. NICKELODEON
18. FAMILY CHANNEL
19. GOVERNMENT ACCESS
20. MUNICIPAL ACCESS
21. PUBLIC ACCESS
22. EDUCATIONAL ACCESS
23. LOCAL ACCESS
24. ADVERTISING
25. PUBLIC SERVICE CHANNEL
26. QUALITY VALUE NETWORK 1
27. QUALITY VALUE NETWORK 2
28. HOME SHOPPING CLUB
29. AMERICAN MOVIE CLASSICS
30. USA NETWORK
31. WTBS (17) ATLANTA
32. TNT
33. CNN HEADLINE NEWS
34. HBO
35. THE MOVIE CHANNEL
36. P.A.S.S.
37. SHOWTIME
38. CINEMAX
39. DISNEY CHANNEL
40. WGN (9) CHICAGO
41. LIFETIME
42. VH-1
43. MTV
44. C-SPAN
45. C-SPAN 2
46. CONSUMER NEWS & BUSINESS CHANNEL
47. THE LEARNING CHANNEL
48. ARTS AND ENTERTAINMENT
49. THE DISCOVERY CHANNEL
50. NASHVILLE NETWORK
51. COURT TV
52. TRINITY BROADCASTING NETWORK
53. CATHOLIC TELEVISION NETWORK
54. SCI-FI CHANNEL
57. CARTOON NETWORK
58. WADL (38)
61. WGPR (62)



## Glasgow Electric Plant Board

July 14, 1993

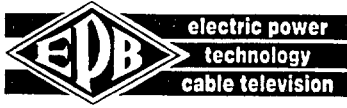
Mr. John W. Pestle  
Vernon, Riddering, Schmidt & Howlett  
Bridgewater Place  
P. O. Box 352  
Grand Rapids, MI 49501-0352

Dear John:

I have read the copy of the National Cable Television Association's Petition for Reconsideration in the FCC's cable TV rate regulation rule making. In that Petition the NCTA attempts to convince the FCC that cable rates in Glasgow, in which a municipally operated cable TV system competes head-to-head with a privately owned cable system, should not be useful to the FCC in determining a benchmark rate for cable systems subject to effective competition.

The cable television rates in Glasgow are not the result of a short-term price war. Head-to-head competition in Glasgow has gone on now for over four years. The municipally-owned system's rate started at \$13.50 per month for basic and has continued to use that rate to this date. The private operator lowered its rates from \$14.25 for a 24-channel basic package to \$5.95 for a 42-channel basic package on a street-by-street pattern identically matching the construction of the municipally-owned system in 1989. Subsequently, they offered a rate of \$8.95 to the whole city once the municipally-owned system was completed. The \$8.95 rate continued for over 2-1/2 years until January 1, 1993 when they increased their rate to \$12.50. During the time of their \$8.95 basic rate, attorneys for the private cable company stated in both newspaper interviews and in depositions that the private cable operator was "still making money at the \$8.95 rate - just not as much as they used to." If these rates are not the result of competition as mentioned in the Petition filed by the NCTA, would we not have to assume that they have some anti-competitive motive?

The filing also mentions that our system's financial statements show a net loss. That statement is true. During the four years of operation of our municipal system, the system has recorded a decreasing net loss at the end of each fiscal year. Fiscal year 1994 should end this trend, with a projected positive net income. This is not at all an unusual situation, even for privately owned cable systems. Very few new businesses today begin showing a net profit immediately.



Mr. John W. Pestle  
July 14, 1993  
Page Two

I strongly believe that the cable television rates in Glasgow are exactly what the FCC was looking for to determine benchmark competitive rates. The whole emphasis of the 1992 Cable Act was to encourage replication of the Glasgow project in cities across the country. One of the reasons for such replication is to bring the advantages of competitive cable tv rates to other communities across the nation.

Respectfully,

*William J. Ray*  
William J. Ray, P.E. (sh)  
Superintendent

WJR/sh

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of	)	
	)	
Implementation of Sections of	)	
the Cable Television Consumer	)	MM Docket No. 92-266
Protection and Competition Act	)	
of 1992	)	<b><u>PROOF OF SERVICE</u></b>
	)	
Rate Regulation	)	

Kathy E. Langeland being duly sworn, deposes and says that she is an employee of Varnum, Riddering, Schmidt & Howlett and that on the 20<sup>th</sup> day of July, 1993, she served:

Daniel L. Brenner, Esq.  
Michael S. Schooler, Esq.  
Counsel for the National Cable Television Association, Inc.  
1724 Massachusetts Avenue, N.W.  
Washington, D.C. 20036

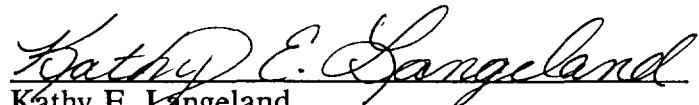
Stephen R. Effros, Esq.  
James H. Ewalt, Esq.  
Robert J. Ungar, Esq.  
Community Antenna Television Association, Inc.  
3950 Chain Bridge Road  
P.O. Box 1005  
Fairfax, VA 22030-1005

Norman M. Sinel, Esq.  
Patrick J. Grant, Esq.  
Stephanie M. Phillipps, Esq.  
William E. Cook, Jr., Esq.  
Counsel for NATOA and Local Governments  
Arnold & Porter  
1200 New Hampshire Avenue, N.W.  
Washington, D.C. 20036

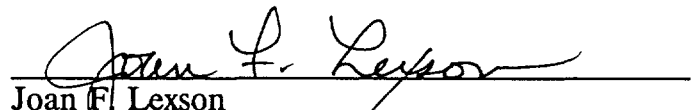
Nicholas P. Miller, Esq.  
Joseph Van Eaton, Esq.  
Lisa S. Gelb, Esq.  
Counsel for King County, Washington, et al.  
Miller & Holbrooke  
1225 Nineteenth Street, N.W.  
Washington, D.C. 20036

Gardner F. Gillespie, Esq.  
Jacqueline P. Cleary, Esq.  
Attorneys for the Coalition of Small System Operators  
Hogan & Hartson  
555 Thirteenth Street, N.W.  
Washington, D.C. 20004

with a copy of Michigan Communities' Opposition and Response to Petitions for Reconsideration, Request for Leave to File in Excess of Page Limitation, and Proof of Service by placing said copies in an envelope with full postage prepaid in the United States Mail.

  
Kathy E. Langeland

Subscribed and sworn to before me this 20<sup>th</sup> day of July, 1993.

  
Joan F. Lexson  
Notary Public, Ottawa County acting in Kent, MI  
My Commission Expires July 1, 1995

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the matter of	)	
	)	
Implementation of Sections of	)	
the Cable Television Consumer	)	MM Docket No. 92-266
Protection and Competition Act	)	
of 1992	)	
	)	
Rate Regulation	)	

REQUEST FOR LEAVE TO FILE IN EXCESS OF PAGE LIMITATION

The City of Walker, Michigan; City of Kalamazoo, Michigan; Ada Township, Michigan; Grand Rapids Charter Township, Michigan; and Michigan C-TEC Communities<sup>1</sup> ("Michigan Communities") hereby request leave to exceed the 25-page limitation in their opposition and response to petitions for reconsideration in the above proceeding. Michigan Communities believe this request is justified in light of the following:

(1) Michigan Communities are filing a single opposition and response to four petitions for reconsideration (specifically the petitions of National Cable Television Association, Community Antenna Television Association, Coalition of Small System Operators, Local Governments (NATOA), and King County, Washington. If Michigan Communities filed individual oppositions and responses, they would be entitled to submit a total of 100 pages. The instant filing is substantially less than that, being approximately 27 pages plus 16 pages of attachments.

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<sup>1</sup> The Communities are Allendale Township, City of Belding, City of Cadillac, City of Cedar Springs, City of Coldwater, City of Coopersville, City of Gladwin, City of Grayling, City of Ionia, City of Lake City, City of Manistee, City of McBain, City of Otsego, City of Plainwell, City of Reed City, City of Wayland, City of West Branch, Grand Haven Charter Township, Holland Township, Huron Charter Township, Leighton Township, Park Township, Pentwater Township, Richmond Township, Robinson Township, Springs Lake Township, Sturgis Township, Tallmadge Township, Village of Howard City, Village of Nashville, Village of Sparta, Village of Spring Lake, Whitewater Township, Yankee Springs Township, and Zeeland Township.



(2) This petition is submitted on behalf of 39 parties, any one of whom would be entitled to file a response individually. This joint filing substantially reduces the total amount of filings which this Commission must consider.

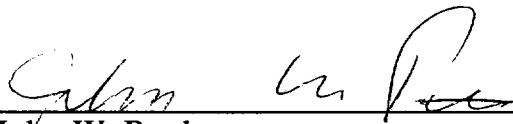
(3) The petition presents unique information from the perspective of small communities served by small cable operators. Michigan Communities are not aware of any other petitioners in this proceeding representing the interests of small communities.

(4) Michigan Communities present unique information on how cable operators are presenting this Commission's May 3 Report and Order to communities. In this regard, it shows how some cable operators are deliberately providing incorrect and misleading information as to this Commission's rules which will contravene the purpose of the 1992 Cable Act and the May 3 Report and Order. This Commission, like all agencies, should be receptive to information indicating how its rules, regulations or processes may be abused or its acts and rules evaded.

For these reasons, Michigan Communities by its attorneys respectfully request that the Commission grant its request for leave to file in excess of the page limitation to the extent necessary to accommodate Michigan Communities Opposition and Response to Petitions for Reconsideration as filed.

Respectfully submitted,

Date: 7/20/93

  
\_\_\_\_\_  
John W. Pestle  
Attorneys for Michigan Communities  
VARNUM, RIDDERING, SCHMIDT & HOWLETT  
P.O. Box 352  
Grand Rapids, Michigan 49501-0352  
(616) 336-6000

Bresnan Communications Company  
385 Woodward Avenue  
Kingsford, Michigan 49801  
TEL: (906) 774-2404  
FAX: (906) 774-7888



Mr. Bruno Maule  
Mayor  
City of Kingsford  
205 Birch St.  
Kingsford, MI 49801

Dear Mr. Maule:

Enclosed for your information is a document being sent to all of our customers in Kingsford to explain the key aspects of the new Cable Act and its effect on their cable rates and service. In addition, we are enclosing a copy of a "Q & A" that explains the rules in greater detail; this document will be available in our office and can be picked up by our customers at any time.

As these rules go into effect, we are adjusting our rates according to the benchmark standards set by the Federal Communications Commission. We are complying with the FCC's rate rules whether or not the City of Kingsford pursues the certification process authorizing you to enforce the rate rules for the basic tier. We also will voluntarily file all of the FCC rate forms regardless of whether you certify.

Presently, our rates are below the benchmark. However, the new rules still require us to restructure our rates, as you will see, even though we are not increasing our overall revenues, this restructuring will cause some customers' bills to increase. We share your displeasure with this situation, and know that it can be the cause of much confusion and discontent. As much as we wish we did not have to institute these various changes, they are made necessary by the new federal law and we must comply. We assure you that we will do everything we can to create as smooth a transition as possible.

At this time, we wish to suggest that it could be advantageous to Kingsford to not seek certification. Certification locks the city into rigid procedures that could prove to be a burden for everyone concerned. The burden would be increased dramatically if, as is very likely to be the case, Bresnan Communications Company decides in the future to justify its rates through cost-of-service showing. If Kingsford is certified, the city suddenly would be involved in a very expensive and time-consuming process. If, however, the city is not certified and a complaint is filed at the FCC, it would be that agency's obligation to conduct the initial cost-of-service case. Although, the FCC's proceeding would focus on the full-service package, rather than basic

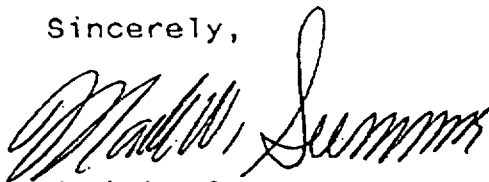
service, Kingsford could assume regulatory control over our basic service after it sees the results of the FCC proceeding. At that point, the city could become certified and order a roll back and a refund going back to the effective date of the regulation or one full year, whichever is greater.

It appears that some law firms are advising franchising authorities that immediate certification is necessary to prevent those cable operators who are below the FCC's benchmark from raising their rates to the benchmark level. To alleviate this concern, if you choose not to certify we will give you 45 days' notice prior to a rate increase. This will allow you ample time to then file for certification. It is important to point out that once a city or town becomes certified, there is no decertification process, and the regulatory responsibility may become permanent.

For your additional consideration, we are attaching a letter from the law firm of Cole, Raywid and Braverman which discusses this in more detail. We offer this in what we believe are the best interests of the city, and hope you will find this material meaningful.

Again, we sincerely regret any confusion or disturbance which the new Cable Act creates, and we will work with you in every possible to minimize customer dissatisfaction. We appreciate your understanding and will keep you informed of all developments as they occur. As always, we will be happy to discuss this or any other issue concerning our cable system at your convenience.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark W. Summers". The signature is fluid and cursive, with the first name "Mark" and last name "Summers" clearly distinguishable.

Mark W. Summers  
General Manager

## COLE, RAYWID & BRAVERMAN

JOHN P. COLE, JR.  
BURT A. BRAVERMAN  
ROBERT L. JAMES  
JOSEPH R. REIFER  
FRANCES J. CHETWYND  
JOHN D. SEIVER  
WESLEY R. KEPPLER  
PAUL GLIST  
DAVID M. SILVERMAN  
JAMES F. IRELAND III  
STEVEN J. HORVITZ  
ROBERT G. SCOTT, JR.  
SUSAN WHELAN WESTFALL  
GARY I. RESNICK  
JANET R. THOMPSON\*  
THERESA A. ZETTERBERG  
STEPHEN L. KABLER  
JOHN DAVIDSON THOMAS  
TIMOTHY R. FURR  
MARIA T. BROWNE\*\*  
BENJAMIN E. GOLANT

ATTORNEYS AT LAW

SECOND FLOOR

1919 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20006-3458

(202) 659-9750

ALAN RAYWID  
(202-1891)CABLE ADDRESS  
"CRAB"TELECOPIER  
(202) 452-0067

July 12, 1993

\* ADMITTED IN PENNSYLVANIA ONLY  
\*\* ADMITTED IN VIRGINIA ONLY

Mr. William Bresnan  
Bresnan Communications Company  
709 Westchester Avenue  
White Plains, New York 10604

Re: Local Rate Regulation Certification

Dear Bill:

I am writing in response to your inquiry regarding the FCC's "certification" process for local rate regulation. I understand that certain consultants have been urging franchising authorities to rush to secure FCC certification. While such authorities may look skeptically at anything we say, there really are a number of practical reasons why a franchising authority might opt to delay certification of its basic rate regulation authority. I encourage you to share these reasons with appropriate officials.

As you are well aware, the FCC has now postponed the effective date of rate regulation from June 21, 1993 to October 1, 1993. Franchising authorities are precluded from filing for certification prior to that date. Franchising authorities should understand, however, that there is no deadline for seeking certification, and generally no rights would be forfeitted through delay. When a franchising authority obtains certification (which is essentially automatic within 30 days of filing), it can reach back to the effective date of the FCC's rules and award refunds from that date for up to one year. Thus, a franchising authority which filed for certification in June 1994, could reach back and order a refund of all rate overcharges made since October 1, 1993.

Given the refund protection available to a franchising authority, there does not appear to be any compelling reason for

Aug. 28 '93 12:23

BRESNAN ESC.

TEL 906-786-9202

P. 2

COLE, RAYWID &amp; BRAVERMAN

William Bresnan  
July 12, 1993  
Page 2

franchising authority to rush into certification.<sup>1/</sup> To the contrary, given the confusion and litigation likely to surround the initial rate proceedings, it would seem far more sensible to let other jurisdictions (and other operators) do the pioneering work. Indeed, it is likely that either the FCC or the courts will make changes to the regulatory scheme after the October 1 effective date. A great deal of effort could be expended for nothing. Franchising authorities should understand their authority is, in any event, limited by federal law to regulation of the "basic" service -- a limited offering which is likely to be of limited interest to the bulk of subscribers.

Most importantly, a franchising authority has its maximum regulatory flexibility prior to certification. It can obtain all of the FCC's benchmark data and calculate the Form 393 rates as though it were in formal proceedings. It may also review informal cost-of-service studies and reach negotiated settlements.

Once a franchising authority certifies, however, it loses all flexibility. It is bound to follow the FCC's regulations -- all 500-plus pages of them. And it cannot then informally "settle" a rate case. It must go through the process under FCC procedures, which require public participation, could involve a lengthy cost-of-service hearing, and will almost certainly add dramatically to the cost of administering the franchise. Even when it issues a final decision (with which it is presumably satisfied), that order is subject to appeal to the FCC by any subscriber who participated in the rate process. And once certified, there is no provision for decertification, except one which would have the FCC take over all rate control. Thus, in a practical sense, certification reduces a franchising authority's options.

Under the new regulations, cable operators would still be required to inform franchising authorities and subscribers 30

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<sup>1/</sup> In those relatively rare cases where system rates are actually below benchmark, a delay in certification may allow the operator to increase rates up to benchmark levels. Although, with sufficient notice, a franchising authority presumably could assert regulatory control later and still effectively lock-in below benchmark rates. If an operator has heretofore voluntarily kept its rates low, there is little reason to fear it will now suddenly adopt a different approach. Besides, it would seem untenable for a franchising authority to insist on rates below the level deemed reasonable by the FCC.

Aug. 28 '93 12:24

BRESNAN ESC.

TEL 906-786-9202

P. 3

COLE, RAYWID &amp; BRAVERMAN

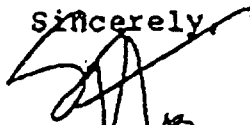
William Bresnan

July 12, 1993

Page 3

days in advance of any rate increase. Franchising authorities would then have ample time and procedures available under the 1992 Cable Act to protect local subscribers from excessive rates.

Sincerely,



Steven J. Horvitz

## TO OUR CUSTOMERS

We know that the new Cable Act of 1992 is complex and difficult, in some aspects, to understand. In order to help clarify some of the key points and answer some typical questions, we are providing this document, which we hope proves useful. Please don't hesitate to ask questions of the office staff if there is anything within this "Q & A" which you don't understand or about which you would like more information.

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**Q. I've seen many articles lately about changes that are coming to our cable system. What is this all about?**

*A. A new federal law, the Cable Act of 1992, has created many new rules and regulations for cable systems. All across the country there will be changes in customer rates, channel lineups, and programming choices. These changes must be made by all cable systems in order to comply with the federal law.*

**Q. What kinds of services will this new law regulate?**

*A. The new federal law imposes rate regulation on the basic tier, which includes all broadcast signals and all public, educational and government access signals; any "expanded" tiers of cable programming services; and installation and equipment charges. There is no rate regulation of charges for premium services, such as HBO or Disney or Encore; Pay-Per-View services; Digital Music Express or similar services; or any programming service available on an "a la carte" basis.*

**Q. Who will actually oversee this regulation?**

*A. Our local franchising officials have the authority to enforce the new rate rules on the basic tier and the rules on customer service requirements. The FCC will enforce the rest of the regulations created by the new law.*

**Q. Why did you raise my rates? I thought rates were supposed to go down.**

*A. New rate regulations are very complex. The Federal Communications Commission (FCC), which issued these rules, has established complicated formulas for cable systems to follow in order to determine everybody's new rates. In some cases, rates will decrease, but for some customers fees could rise.*

**Q. How can that happen?**

*A. The FCC has established guidelines, known as "benchmarks," which determine the maximum rates a system can charge for regulated services in a given community. Our existing rates were very close to the benchmark, which indicates our long-standing commitment to maintaining fair rates for our customers. We are adjusting our rates accordingly. However, we now are required to change the way we allocate our revenue sources, and this could cause some customers' fees to rise. We must now charge less for installation and converter rental but slightly more for basic service; also, there no longer will be any charge for additional outlets. Therefore, customers who rent converters will see a decrease and, unfortunately, customers who subscribe only to basic service will see an increase. This will be so even though the total amount we charge for regulated services will either decrease or stay the same.*

**Q. Do you have to use the FCC's benchmark approach to determine rates?**

*A. The new rules also give operators the option of using a cost-of-service approach, rather than applying the FCC's benchmark. Because a cost-of-service showing can be an expensive and complicated procedure, at this point in time we believe the benchmark approach is the most expedient route for us to follow. However, at some point in the future it may become necessary for us to request a cost-of-service hearing.*

**Q. When will there be another rate increase?**

*A. Under the new rules it appears that our rates can't be increased again for at least one year, and then that increase can only reflect any official rise in the Consumer Price Index (CPI) plus increased external costs, such as our programming expenses, to the extent that these exceed the CPI.*

**Q. Didn't I read that rates would drop by 10 per cent?**

*A. Actually, it is the operators' revenues from newly regulated services and equipment charges that could drop by that much or even more. Because we have always maintained reasonable rates, we will not be affected to the same extent as some other cable operators.*



**Q. Why is my rate different from my friend's rate in a nearby town?**

*A. Unfortunately, the new FCC rules require that we set the rates separately in each community, following a complicated formula. When we apply this formula, the end result can be different rates for each city or town in which we operate. The criteria used in determining the benchmark rate for each community include such factors as the amount of franchise fees paid to the community, the particular "mix" of customers, on a percentage basis, who subscribe to our various services in that community, and the number of installations performed in that community. Such factors as the size of a community, the density of homes, or the actual costs involved in serving that community all have absolutely no bearing on the determination of the benchmark. We dislike this disparity in rates as much as you do, but this is a federal law which we are forced to follow.*

**Q. Can't you do something about all of these changes?**

*A. No, we are required to follow the new federal guidelines. The federal government is forcing us to reallocate charges, and that is causing this raise in rates. We don't like the new law, but we must comply. We understand your frustration about this, and we apologize for these changes.*

**Q. You say you don't like the new law, but won't it mean more money for your system?**

*A. Any raise in basic rates is completely offset by decreases in installation and converter rental fees and the elimination of charges for additional outlets, so, overall, we won't make any more money. We won't actually be increasing the total revenues we receive from the community.*

**Q. When do these new rules go into effect?**

*A. The new rate rules become effective September 1, 1993.*

**Q. Why did you add all those new channels and raise my rate?**

*A. If a cable operator had any intention of adding more channels in the future, the nature of the new rules forced the operator to do so now, instead, while it was practical from a business point of view. Another factor in our decision to add new channels was our ability at this time to negotiate very favorable deals with the program suppliers; this is very important since programming costs are ultimately reflected in our rates. The favorable terms of our agreements with the programmers mean that each added channel does not have a significant impact on your rate. Actually, our overall rates did not increase.*

**Q. Why didn't you add the Sci-Fi Channel?**

*A. We are currently unable to reach a satisfactory agreement with the Sci-Fi Channel for carriage of that service. We are continuing our negotiations and hope to be able to bring you this channel some time soon.*

**Q. Why did you eliminate my low-cost tier?**

*A. The "broadcast" and "lifeline" tiers had to be combined as a matter of law, according to certain specifics in the new rules. The "budget" tier and "full service" package had to be combined for business reasons. That "full service" tier, which consisted of four or five of the most expensive channels, had been established so that only those customers who wanted to watch the high-priced programs would have to pay for them. Under the new rules, we are required to charge the same dollar amount per channel, regardless of whether the channel carries home shopping or expensive regional sports programming. Therefore, business reasons made it necessary for us to combine the "budget" and "full service" tiers. When we established our two new service options -- the full-service package and the basic tier -- it was for business reasons, also, that we moved some programming down to the basic tier to balance costs.*

**Q. Why did you have to change all the channels around?**

*A. We are very sorry for the inconvenience these changes cause. Unfortunately, the various operating changes forced upon us with the passage of the new Cable Act made this reshuffling necessary. We will try to avoid any further channel changes in the future.*

**Q. I've heard that broadcasters have new rights in dealing with cable. What's that all about?**

*A. Under the federal rules, all broadcasters have the right to demand payment in return for being carried on our system. Most stations in our markets appear to not be exercising that option and making that demand; some are.*

**Q. Which stations have demanded Retransmission Consent payments?**

*A. These negotiations are still ongoing. Please ask our office staff for a list of stations. It is our policy to pay no cash or cash equivalent in return for any broadcaster's signal. We don't believe it's fair for cable customers, through their systems, to pay for broadcast signals which non-cable customers can receive free with antennas.*

**Q. What happens if your negotiations aren't successful?**

*A. If negotiations aren't successful and any broadcast station withholds consent to carry its signal, we will be required by law to drop that station from our channel lineup.*

**Q. But if you must drop any station, how will I be able to watch it?**

*A. We will provide you with an "A-B" switch, at no charge, which lets you receive any dropped station off-the-air, with an antenna. The "A-B" switch, with instructions for installation, can be picked up at our office, or we will send a technician to install the switch for a charge of \$8.00. We hope this does not become necessary.*

**Q. Why are you willing to pay fees to cable programmers but not to broadcasters?**

*A. Cable programmers such as MTV, CNN, etc. provide their programming exclusively to cable customers. Broadcasters derive their revenues from advertising and make their programming available free to the general public. We don't think it's fair for our customers, through their cable systems, to pay for broadcast signals which non-cable customers can receive free with antennas.*

**Q. Broadcasters claim that you can't pass on to your customers the fees they are demanding. Is this true?**

*A. This is absolutely false. Initially, payments made to a broadcaster cannot be automatically passed through to the cable customer, but ultimately, all costs will be borne by our customers.*

**Q. I'd be willing to pay a few cents more in order to watch network programming. Why don't you just pay the broadcaster the money and raise my rates?**

*A. We think it's unfair for customers to pay for a broadcaster's signal that is free to others. However, we appreciate your viewpoint. We will record your comment and take it into consideration, but we feel we have an obligation to all of our customers to keep rates as reasonable as possible.*

**Q. Will you be charging for service calls?**

*A. We will be implementing a charge for service calls involving problems caused by the customer's own equipment or otherwise unrelated to our cable service. There will be no charge for service calls involving problems originating with our equipment or concerning our signal delivery.*

**Q. What other factors could affect my bill?**

*A. We will be eliminating charges for additional outlets, so that could affect your bill. And remember, now that our revenue sources are reallocated, your personal charge for equipment rentals and any additional installation work you may require could be lower, and that could affect your final bill. These kinds of reductions could help offset any increases. Your bill will look different, too, because there will be more itemization of fees and services.*

**Q. How can I learn more about these new rules?**

*A. A copy of the rules and regulations will be available in our office for you to review. This is a complicated document. Just the rate regulations alone take up more than 500 pages! And you can always call or visit to get answers to any of your questions. We will continue to advise you about the new rules as additional developments occur.*